LAHORE GARRISON UNIVERSITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE, 2023

MAHBOOB SHEIKH & Co.
CHARTERED ACCOUNTANTS

Partners:
Mahboob Sheikh - FCA
Safder Zia - FCA
Management:
Muhammad Waqas - FCCA
Consultants:
S. Khalid Salam - FCA (Eng.& Wales)
Dr. Khaver Zia - M. Engg. (UK) PhD (UK)
Sumayya Bilal - M.Sc. Information Systems (UK)

MAHBOOB SHEIKH & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors LAHORE GARRISON UNIVERSITY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Lahore Garrison University** (the University), which comprise the statement of financial position as at June 30, 2023, and the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting standards for Not For Profit organizations issued by the Chartered Accountants of Pakistan (ICAP) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (SECP).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the University in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting standards for Not For Profit organizations issued by the ICAP and the IFRS issued by the IASB as notified by the SECP, and for such internal control as the Management Committee determines is

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necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management Committee is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mahboob Sheikh & Co
Chartered accountants
LAHORE
Date: _____, 2023
Name of the engagement partner: Safder Zia FCA

LAHORE GARRISON UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Non-current assets			
Property & equipment - Tangible	4	**856,884,373**	514,490,830
Property & equipment - Intangible	4	**1,354,465**	1,996,134
Security deposits	5	**6,122,451**	6,122,451
Capital Work In Progress	6	**-**	296,969,392
		864,361,288	819,578,806
Current assets			
Loan, advances, deposits and other receivables	7	**12,533,702**	15,521,763
Short term investments	8	**180,000,000**	170,000,000
Cash and bank balances	9	**313,497,674**	131,097,052
		506,031,376	316,618,815
Total assets		**1,370,392,664**	1,136,197,622
Non-current liabilities			
Security refundable	10	**31,835,035**	44,506,857
Provident Fund	11		
-Contribution		**7,601,054**	866,354
-Investment		**110,000,000**	110,000,000
		117,601,054	110,866,354
		149,436,089	155,373,211
Current liabilities			
Creditors, accrued and other payables	12	**3,757,445**	(30,749,813)
Current portion of security refundable	13	**17,920,400**	18,970,000
		21,677,845	(11,779,813)
Total liabilities		**171,113,934**	143,593,398
NET ASSETS [assets - liabilities]		**1,199,278,730**	992,604,223
Represented by:			
Fixed assets fund	14	**109,601,374**	116,081,595
Endowment fund		**50,000,000**	1,000,000
Reserve fund		**20,000,000**	60,000,000
Accumulated surplus	15	**1,019,677,356**	815,522,619
		1,199,278,730	992,604,223

VICE CHANCELLOR

TREASURER

LAHORE GARRISON UNIVERSITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME	16	**1,086,552,674**	817,014,148
OPERATING EXPENSES	17	**(912,822,951)**	(809,641,009)
Net surplus from operating activities		**173,729,723**	7,373,139
Other income	18	**46,352,237**	20,674,041
Other expenditure	19	**(6,927,224)**	(2,410,461)
		39,425,013	18,263,580
Net surplus for the year		**213,154,736**	25,636,719

VICE CHANCELLOR

TREASURER

LAHORE GARRISON UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net surplus for the year	**213,154,736**	25,636,719
Add/ (less): Adjustments for non-cash charges and other items		
Depreciation	**72,059,910**	61,908,623
Amortization	**670,248**	648,160
Gain on disposal of assets	**-**	-
Grant assets amortization	**(6,480,220)**	(6,964,180)
	66,249,938	55,592,603
Profit before changes in working capital	**279,404,674**	81,229,323
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets:		
Loan, advances, deposits and other receivables	**2,988,061**	(7,067,712)
Increase/(decrease) in current liabilities:		
Creditors, accrued and other payables	**34,507,258**	7,414,971
Current portion of security refundable	**(1,049,600)**	3,738,186
Short term finance	**-**	-
	36,445,719	4,085,445
Net cash flow from operating activities	**315,850,393**	85,314,768
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(414,482,039)**	(91,288,539)
Proceeds from disposal of assets	**-**	168,695
Capital work in progress	**296,969,392**	(24,011,003)
Encashment of TDRS/ (Invested in TDR's)	**(10,000,000)**	(55,000,000)
Increase / (Decrease) in Long term security deposits	**-**	(2,430,000)
Net cash flow from investing activities	**(127,512,647)**	(172,560,847)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in general provident fund	**6,734,700**	8,440,159
Increase / (Decrease) Security refundable	**(12,671,822)**	7,266,473
Net cash flow from financing activities	**(5,937,122)**	15,706,632
Net increase / (decrease) in cash and cash equivalents	**182,400,623**	(71,539,447)
Cash and cash equivalents at the beginning of the year	**131,097,052**	202,636,499
Cash and cash equivalents at the end of the year	**313,497,674**	131,097,052

VICE CHANCELLOR

TREASURER

LAHORE GARRISON UNIVERSITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

PARTICULARS	Fixed assets fund	Endowment fund	Revenue reserve fund	Accumulated surplus	Total
Balance as at 30 June 2021	**123,045,779**	**1,000,000**	**45,000,000**	**804,885,900**	**973,931,679**
Total surplus of the year	-	-	-	25,636,719	25,636,719
Surplus transfer to reserve fund	-	-	-	(15,000,000)	(15,000,000)
Endowment fund	-	-	-	-	-
Reserve fund	-	-	15,000,000	-	15,000,000
Grant assets amortization	(6,964,180)	-	-	-	(6,964,180)
WDV on disposal of asset	-	-	-	-	-
Balance as at 30 June 2022	**116,081,599**	**1,000,000**	**60,000,000**	**815,522,619**	**992,604,218**
Total surplus of the year	-	-	-	213,154,736	213,154,736
Surplus transfer to reserve fund	-	-	-	(10,000,000)	(10,000,000)
Endowment fund	-	(1,000,000)	(50,000,000)	1,000,000	(50,000,000)
Reserve fund	-	50,000,000	10,000,000	-	60,000,000
Grant assets amortization	(6,480,220)	-	-	-	(6,480,220)
WDV on disposal of asset	-	-	-	-	-
Balance as at 30 June 2023	**109,601,374**	**50,000,000**	**20,000,000**	**1,019,677,356**	**1,199,278,730**

1 Legal status and nature of operations:

Lahore Garrison University is a Chartered University, recognized by Higher Education Commision, established under "The Lahore Garrison University Act, 2014" (ACT VI 2014). The vision of the university is to establish a renowned university in teaching, research, innovation and commercialization providing congenial enviornment for acquistion of lastest knowledge so that student may contribute towards commiunity support and national development. The legal status of LGU is that of a Non Profit Organization under the law. The main campus of the university is located at DHA Phase VI, Sector C, Lahore.

2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Management has adopted voluntarily approved accounting standards which comprise of Accounting Standards for Not-for-Profit Organization as issued by the Institute of Chartered Accountants of Pakistan (ICAP) and the International Financial Reporting Standards for Small and Medium Sized Entities as applicable in Pakistan. The management has accordingly adopted the standards with the exception of recognition of tuition fee which has been accounted for on receipt basis. In case requirement differ, provisions of IFRS for Small & Medium Sized Entities shall prevail.

2.1 Basis of preparation

These financial statements are presented in Pakistani rupees which is the functional currency of the entity.

3 Significant accounting judgements/ estimates and assumptions

The significant accounting policies adopted in preparation of these financial statements are set out below;

3.1 Accumulated surplus

This is unrestricted fund of the University which is available for the functioning of the University as set out in its governing documents.

3.2 University land

With reference to para 1 of the lease agreement dated 05/06/2012 with DHA, Lahore land measuring 40 Kanal has been leased to the LGU with building constructed there upon. To date ownership status remains with DHA, accordingly the cost of land has not been shown in the Financial statements. Furthermore, DHA issued addendum letter No. 580/LGU/PH-VI-JV&BOT dated 17 January, 2019 which explains that land has been extended to 66.43 Kanals from 40 Kanals.

3.3 Fixed assets fund

Fixed assets fund represents the net book value of the tangible fixed assets of the University. These assets are accounted for as per policies stated in note 3.5. Property and equipment that is received directly as grant are debited to the property and equipment account at fair value and corresponding amount is credited to fixed asset fund. Such items are depreciated in accordance with accepted guidelines, while a corresponding amount is transferred from the fixed asset fund to "Other Income" in the income and expenditure accounts till the amount of the grant assets is fully ammortized at the end of the useful life of the assets.

3.4 Cash and cash equivalents

For the purpose of cash flow, cash and cash equivalents comprise cash in hand, cash at bank, current and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insiqinificant risk of changes in value.

3.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is taken to income and expenditure acount by applying reducing balance method so as to write-off depreciable amount of an asset over its remaining usefull life at the rates stated in note 4. The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

Normal repairs and replacements are taken to income and expenditure account. Major improvements and modifications are captialized.

Gain/ loss on disposal of property and equipment, if any, is taken to income and expenditure account. Full month's depreciation is charged on addition while no depreciation is charged in the month of disposal during the year.

Impairment losses or its reversal, if any, is charged to income. Where an impairment loss is recognized, depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.6 Stores and spares

Stores and spares contain miscellaneous electronic petty items, sports equipment and crockery. Stores and spares in stock at each financial year end are valued at the lower of weighted average cost and current replacement cost. Items considered obselete are carried at nil value.

3.7 Investments

Investments currently held for one or less than one year period are classified as current assets and at amortized cost less impairment loss, if any.

3.8 Income recognition

Tuition fee and all other related income is recognized on receipt basis.

Tuition fee activity is being recorded in the financial record on the basis of Miscrosoft Excel data. ERP software be made effective to strengthen this financial area.

Rental Income is recognized on receipt basis.

Profit accrued on Term Deposit Receipts (TDRs) is recognized on receipt basis.

3.9 Expenses

Expenditure are recognized as an expense at historical cost during the period in which they are incurred on accrual basis.

3.10 Employee retirement benefits: Defined contribution plan

The University operates an unrecognized provident Fund for all its permanent employees. Equal monthly contributions are made to the fund by the university and the employees at defined slabs rates. Obligations for contribution to defined contributions plan is recognized as an expense in the income and expenditure account as and when incurred.

3.11 Short-term employee benefits

Short-term employee benefits include paid annual leaves and other monetary benefits (such as medical care, housing, conveyance) for current employees. University has a policy to provide short term employee benefits to its employee in the form of non-vesting accumulated compensated absences. As per the University policy, employees are entitled to 10 days of paid leaves each year after completion of one year of service, depending on their service of years. Any unavailed leaves are lapsed and are not available for carry forward. However, employees who are permanent and those having a contract period of three years or more are given the facility for leave encashment.

3.12 Advances, prepayments and other receivables

Advances, prepayments and other receivables are carried at original cost less an estimate made for doubtfull receivable based on a review of all outstanding amounts at the year end. Bad debts are written off, as and when identified.

3.13 Security deposits

The security deposits are classified as non-current assets represents amount received from students against their admissions and affiliation fees paid to other universities.

3.14 Taxation

The income of the university being a Non Profit Organization (NPO), is wholly exempt from tax under the Income Tax Ordinance, 2001.

3.15 Related parties transcations

Transcations with related parties are carried out at arm's length and priced at comparable uncontrolled market price method.

Parties are said to be related if they are generally coonsidered to be able to influence the operating and financial decisions of the university.

3.16 Corresponding Figures

The corresponding figures have been rearranged wherever necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangments.

LAHORE GARRISON UNIVERSITY
NOTES TO THE ACCOUNTS - YEAR ENDED JUNE 30, 2023
OPERATING PROPERTY & EQUIPMENT

4. Property & Equipment - TANGIBLE

	2023	2022
	Rupees	Rupees
-Owned Assets	747,282,998	398,409,235
-Grant Assets	109,601,374	116,081,595
	856,884,373	514,490,830

Owned operating fixed assets - Tangible

Description	Building	Furniture & Fixture	Office Equipment	Computer Equipment	Motor Vehicles	Library Books	Total
Depreciation - Rate %	5%	10%	20%	33%	20%	33%	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost							
Balance at 30 June, 2022	197,854,252	53,983,475	132,805,973	74,362,983	91,929,900	15,875,051	566,811,636
Additions during the year	346,390,154	4,261,405	48,054,372	12,094,070	-	3,653,459	414,453,460
Disposals during the year	-	-	-	-	-	-	-
Balance at 30 June, 2023	544,244,406	58,244,880	180,860,345	86,457,053	91,929,900	19,528,510	981,265,089
Accumulated depreciation							
Balance at 30 June, 2022	25,930,753	15,063,438	54,498,364	45,430,910	19,906,460	7,572,479	168,402,401
Depreciation for the year	11,048,499	4,052,005	21,957,042	11,154,648	14,404,688	2,962,808	65,579,690
On disposal	-	-	-	-	-	-	-
Balance at 30 June, 2023	36,979,252	19,115,443	76,455,406	56,585,558	34,311,148	10,535,287	233,982,091
At 30 June, 2023	507,265,154	39,129,437	104,404,939	29,871,495	57,618,752	8,993,223	747,282,998
At 30 June, 2022	171,923,499	38,920,037	78,307,609	28,932,073	72,023,440	8,302,572	398,409,235

LAHORE GARRISON UNIVERSITY
NOTES TO THE ACCOUNTS - YEAR ENDED JUNE 30, 2023
OPERATING PROPERTY & EQUIPMENT

4. Property & Equipment - TANGIBLE

Grant operating property & equipment - Tangible

Description	Building	Furniture & Fixture	Office Equipment	Computer Equipment	Motor Vehicles	Total
Depreciation - Rate %	5%	10%	20%	33%	20%	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost						
Balance at 30 June, 2022	179,750,000	19,871,000	9,377,000	12,019,000	9,550,000	230,567,000
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance at 30 June, 2023	179,750,000	19,871,000	9,377,000	12,019,000	9,550,000	230,567,000
Accumulated depreciation						
Balance at 30 June, 2022	72,575,464	13,000,149	8,386,933	11,815,199	8,707,661	114,485,405
Depreciation for the year	5,358,727	687,085	198,013	67,927	168,468	6,480,220
On disposal	-	-	-	-	-	-
Balance at 30 June, 2023	77,934,191	13,687,234	8,584,947	11,883,126	8,876,129	120,965,626
At 30 June, 2023	101,815,809	6,183,766	792,053	135,874	673,871	109,601,374
At 30 June, 2022	107,174,536	6,870,851	990,067	203,801	842,339	116,081,595

The lease agreement between DHA Lahore & LGU was executed at Lahore on 28th May, 2012. According to para 6 of the above agreement "An amount of Rs. 269,000,000/- has been spent by first party for construction of building, additional construction, furnishing, equipment of library & office etc. No further liability of construction, furnishing, provision of equipement etc. in respect of said property is outstanding against first party." LGU on the basis of above lease agreement has booked in its financial record an amount of Rs. 235,417,000/- on account of Grant Assets (Fixed Assets) and Rs. 23,704,000/- on account of funds transfer from DHA in its revenue account, aggregating Rs. 259,121,000/-

4. OPERATING PROPERTY & EQUIPMENT - INTANGIBLE

Operating fixed assets - Intangible

Description	Computer Software	Total
Amortization - Rate %	33%	
	Rupees	Rupees
Cost		
Balance at 30 June, 2022	4,611,586	**4,611,586**
Additions during the year	28,579	**28,579**
Disposals during the year	-	**-**
Balance at 30 June, 2023	4,640,165	**4,640,165**
Accumulated amortization		
Balance at 30 June, 2022	2,615,452	**2,615,452**
Amortization for the year	670,248	**670,248**
On disposal	-	**-**
Balance at 30 June, 2023	3,285,700	**3,285,700**
Written Down Value		
At 30 June, 2023	**1,354,465**	**1,354,465**
At 30 June, 2022	1,996,134	1,996,134

	Note	2023 Rupees	2022 Rupees
5 SECURITY DEPOSITS			
Against parties		**3,058,000**	3,058,000
Against rent		**2,203,451**	2,203,451
Against affiliations		**70,000**	700,000
Sui Gas		**161,000**	161,000
		6,122,451	6,122,451
6 CAPITAL WORK IN PROGRESS			
-Parking block		**-**	177,445,840
-Sports complex		**-**	119,523,552
		-	296,969,392
7 LOAN, ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Receivables from employees against			
-Advances to employees		**2,462,831**	4,785,796
-Advances to departments		**8,276,576**	6,523,638
-Laptop scheme		**793,883**	1,358,805
		11,533,290	12,668,239
Receivables against recovery		**296,412**	371,770
Prepaid expenses		**704,000**	1,140,000
Loan to cafeteria		**-**	1,341,754
		12,533,702	15,521,763
8 SHORT TERM INVESTMENTS			
Term deposits receipt (TDRs) - Endowment and Reserve	**-note 8.1**	**70,000,000**	60,000,000
Term deposits receipt (TDRs) - General provident fund	**-note 8.2**	**110,000,000**	110,000,000
		180,000,000	170,000,000

8.1 These represents investments in TDRs earmarked for revenue reserve fund having maturity of 1 year and carry mark up at the rate of 18.00%.

8.2 These represents investments in TDRs earmarked for provident fund having maturity of 1 year and carry mark up at the rate of 15.60% to 16.60%.

9 CASH AND BANK BALANCES			
Cash in hand		**384,852**	422,728
Cash at banks:			
Current accounts	**-note 9.1**	**62,754,491**	23,633,211
Saving accounts	**-note 9.2**	**250,358,331**	107,041,113
		313,497,674	131,097,052
9.1 CURRENT ACCOUNTS			
-Habib Bank Limited - Current		**62,754,491**	23,633,211
		62,754,491	23,633,211
9.2 SAVING ACCOUNTS			
-Askari Bank Limited - Main fee		**7,808,759**	3,420,111
-Habib Bank Limited - Fee account		**141,407,457**	46,078,759
-HBL Bank Ltd - GP Fund		**9,683,441**	8,204,888
-HBL Bank Ltd - Grant Account		**172,841**	8,011,023
-HBL Bank Ltd - Welfare account		**1,995,207**	133,811
-MCB Bank Limited - Fee account		**4,304,144**	22,410,275
-Askari Bank Limited - HQ 11 Div		**473**	473

	Note	2023 Rupees	2022 Rupees
-Habib Bank Limited - CDR		996,285	865,073
-MCB Bank Limited - Transport fee		21,383,489	8,848,127
-MCB Bank Limited - Hostel fee		2,289,947	2,673,856
-Summit Bank Limited		59,726,789	5,875,742
-FINCA Microfinance Bank Limited		589,498	518,974
		250,358,331	107,041,113

10 SECURITY REFUNDABLE

-Students	-note 10.1	19,184,500	28,144,500
-Staff		6,168,713	9,202,380
-Parties		6,481,822	7,159,977
		31,835,035	44,506,857

10.1 STUDENTS

-Hostel	444,500	509,500
-FOBS	1,755,000	3,230,000
-FOCS	11,125,000	15,560,000
-FOL	1,285,000	1,745,000
-FOSS	4,575,000	7,100,000
	19,184,500	28,144,500

11 PROVIDENT FUND

The following information is based on the latest un-audited data of the provident fund:

Total fund contribution (Employee+employer)	7,601,054	866,354
Investment made from contribution	110,000,000	110,000,000
Percentage of investment made	15.60% to 16.60%	6.25% to 10.75%
Fair value of investment in TDR's	110,000,000	110,000,000

12 CREDITORS, ACCRUED AND OTHER PAYABLES

Creditors for capital outlay	1,218,813	(34,121,151)
Salaries accrued	-	315,551
Employees medical insurance	(5,450,464)	(4,987,811)
Utilities	456,401	866,291
Tender security refundable	377,862	377,862
Auditors fee	550,000	550,000
Floating fund	5,771,707	4,366,411
Tax payable	833,127	1,883,035
	3,757,445	(30,749,813)

13 CURRENT PORTION OF SECURITY REFUNDABLE

-Ph. D	50,000	410,000
-M.Phill	1,480,000	1,615,000
-Master	775,000	965,000
-Graduation	5,185,400	12,335,000
-FOBS	2,110,000	1,550,000
-FOCS	4,790,000	555,000
-FOL	795,000	720,000
-FOSS	2,735,000	820,000
	17,920,400	18,970,000

	Note	2023 Rupees	2022 Rupees
14 FIXED ASSETS FUND		**109,601,374**	116,081,595

This fund was recognized initially on the basis of thirty years lease agreement with Defense Housing Authority (DHA) dated 28th May, 2012. Detail of assets has been given in grant assets schedule (Note 4).

15 ACCUMULATED SURPLUS			
Surplus brought forward		**815,522,619**	804,885,899
Add: Surplus for the year		**213,154,736**	25,636,719
Less: Transfer to Reserve fund		**(9,000,000)**	(15,000,000)
Accumulated surplus		**1,019,677,356**	815,522,619
16 INCOME			
Tuition fee	**-note 16.1**	**986,779,448**	763,164,063
Hostel fee		**6,958,412**	6,990,207
Prospectus fee		**3,372,123**	4,098,000
Welfare fund income		**82,513**	595,237
Transport fee		**27,437,434**	17,208,320
Fine collection		**3,359,875**	2,479,830
Rental income	**-note 16.2**	**7,028,520**	515,000
Short courses		**179,000**	390,000
Sports complex		**446,000**	-
Others		**50,909,349**	21,573,491
		1,086,552,674	817,014,148
16.1 TUITION FEE	**-note 16.1.1**		
-FOBS		**104,831,837**	93,497,950
-FOCS		**570,403,397**	448,727,981
-FOL		**36,087,436**	27,358,736
-FOSS		**275,456,778**	193,579,396
		986,779,448	763,164,063

16.1.1 In accordance with the approval granted by IHD vide letter no. 281/55/LGU/GS(EDN) dated 05-08-2022; the following directives have been approved and implemented for the financial year 2022-23 onwards.

- Fee has been increased by 15% for students across the board.
- Defence subsidiy be restricted to top 100 students on merit, further it has been reduced from 30% to 10%.

Due to above measures the revenue on account of tuition fee has increased by Rs. 223.65M i.e. an increase of 29.30% per annum (Budgeted revenue 1,157.42M)

16.2 RENTAL INCOME		
-Cafeteria	**5,752,520**	-
-HBL Booth	**700,000**	425,000
-Photocopy	**576,000**	90,000
	7,028,520	515,000
17 OPERATING EXPENSES		
Salaries, wages and benefits	**657,127,526**	558,682,710
Printing and stationery	**21,302,811**	17,374,438
Registration and examination charges	**2,574,720**	1,386,843
University transportation	**17,209,215**	11,084,659
Utilities	**37,517,230**	31,765,571
Performance reward of students	**3,784,877**	2,320,000

	Note	2023 Rupees	2022 Rupees
Petrol, Oil and lubricants		**8,653,855**	6,199,570
Advertisement and pormotions		**10,415,264**	8,853,321
Store consumption		**8,031,486**	5,810,320
Postage and courier		**107,984**	126,453
Employee welfare		**1,378,799**	1,456,597
Entertainment		**2,022,044**	1,337,044
Laboratory expense		**1,088,126**	1,628,196
Newspaper & magazines		**138,893**	66,680
Fee & subscription		**874,046**	2,394,351
Repair and maintenance		**16,490,320**	16,498,154
University functions, Intl. conferences & Symposium		**36,281,474**	32,844,070
Research expenses		**480,308**	28,015
Property tax		**2,129,994**	392,851
Hostel charges		**4,640,296**	7,369,568
Depreciation		**72,059,910**	61,908,623
Amortization		**670,248**	648,160
Others		**7,843,525**	39,464,815
		912,822,951	809,641,009

18 OTHER INCOME

Income from financial assets			
Bank profits	**-note 18.1**	**39,872,017**	13,709,861
Income from non-financial assets			
Grant assets amortizations	**-note 18.2**	**6,480,220**	6,964,180
		46,352,237	20,674,041

18.1 This includes the bank profits earned on TDR's daily profit accounts.

18.2 This represents the amount transferred from the fixed asset fund account.

19 OTHER EXPENDITURE

Bank charges	**-note 19.1**	**4,585,424**	1,162,104
Auditors' remuneration		**550,000**	550,000
Consultancy service charges		**1,791,800**	698,357
		6,927,224	2,410,461

19.1 This also includes the tax withheld by banks on profits on deposits accounts, TDRs and bank charges.

20 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel include Vice Chancellor and Registrar of the University. The break up of aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the Vice Chancellor and Registrar of the University are as follows;

Basic pay	**9,218,556**	7,348,500
HR Allowance	**1,560,000**	1,200,000
Other allowance	**480,000**	-
Other benefits	**1,641,205**	1,131,151
	12,899,761	9,679,651

21 RELATED PARTY TRANSCATIONS

Related party comprises of Vice Chancellor & Registrar (Key Management Personnel). There is no related party transcation except the remuneration of key management personnel as disclosed in Note 20.

	Note	2023 Rupees	2022 Rupees
22 NUMBER OF EMPLOYEES			
Total number of employees at year end		**622**	602

23 CONTINGENCIES AND COMMITMENTS

23.1 LGU made an lease agreement (30 years) with DHA for provisioning of building constructed thereupon and permission to setup, establish and run Defence campus of Lahore Garrison university upon said buillding in DHA Phase-VI Lahore. According to the lease agreement LGU will pay 10% of the gross monthly revenue earned to DHA which shall be verified annually in terms of the Annual Audited Accounts. The estimated liability to DHA aggregates to Rs. 520,599,290/- as at 30th June, 2023.

A review of the above lease agreement was held at HQ 4 Corps, accordingly directives were issued for implementation vide letter no. 281/LGU/EDN(INSTNS) dated 23-08-2023. The above directives/amendments are as follows;

'- The aggregated liability under this head since the inception of the university has been caped to Rs.150M which has to be paid in 5 equal installments of Rs.30M each per annum in a period of 5 years. The first installments of Rs. 30M shall be due on August 2023 (payable to DHA in Oct 2023).

'- The rental percentage has been changed from 10% of gross revenue to 10% of Net surplus effective from financial year 2023-24. The payment plan shall be i.e. each installment be paid on 01 August for each financial year.

The above ammendments shall be made in the lease agreement between DHA and LGU dated 28-05-2012 by 05-09-23 and forwarded to HQ 4 Corps - EDN branch for persual of the competent authority.

23.2 With reference to Note 4 (Grant Assets) an amount of Rs. 8,250,000/- under the head contingency held by DHA and Rs. 1,629,000/- under various Misc. heads are included in the total grant of Rs. 269 Million, the before mentioned amounts needs to be reconciled and confirmed from DHA before making them a part of the financial record.

24 DATE OF AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Governers of the University on _____.

25 GENERAL - *figures*

- have been rounded off to the nearest rupee.
- have been rearranged wherever necessary for the purpose of comparison.

VICE CHANCELLOR **TREASURER**